

## Internal Revenue Service

Department of the Treasury  
Washington, DC 20224

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Person To Contact:

, ID No.  
Telephone Number:

Refer Reply To:  
CC:CORP:4  
PLR-151947-11  
Date:  
January 09, 2012

### Legend

Controlled =

Distributing =

MergeCo =

Corporation X =

Year 1 =

Year 2 =

Dear :

This letter responds to your December 14, 2011 request for rulings. The information submitted in that request and in later correspondence is summarized below.

The rulings contained in this letter are based on facts and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. This office has not verified any of the materials submitted in support

of the request for rulings. Verification of the information, representations, and other data may be required as part of the audit process.

### **Facts**

In a letter ruling dated April 14, 2009 (PLR-143744-08) (the "Prior Letter Ruling"), we ruled on the federal income tax consequences of a proposed distribution of the stock of Controlled by Distributing (the "Distribution") and a proposed merger of Controlled into MergeCo with MergeCo surviving (the "Merger"). Prior to Year 1, MergeCo elected to be taxed as a real estate investment trust ("REIT") for federal income tax purposes. Following the Merger, MergeCo changed its name to Corporation X and continued to operate as a REIT. Corporation X operated as a REIT until Year 2. During Year 2, Corporation X failed to qualify as a REIT. Corporation X's REIT status was effectively revoked retroactively for all of Corporation X's Year 2 taxable year.

### **Rulings**

Based solely on the information submitted and the representations made, we rule as follows:

Following the Distribution, Controlled will not be considered a successor to Distributing for purposes of section 1504(a)(3). As a result, beginning in Year 2, Corporation X and its subsidiaries that are "includible corporations" under section 1504(b) and satisfy the ownership requirements of section 1504(a)(2), may elect to file a consolidated federal income tax return with Corporation X as the common parent.

### **Caveats**

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter.

### **Procedural Statements**

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent. A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

Sincerely,

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Isaac W. Zimbalist  
Senior Technical Reviewer, Branch 5  
Associate Chief Counsel (Corporate)

cc: